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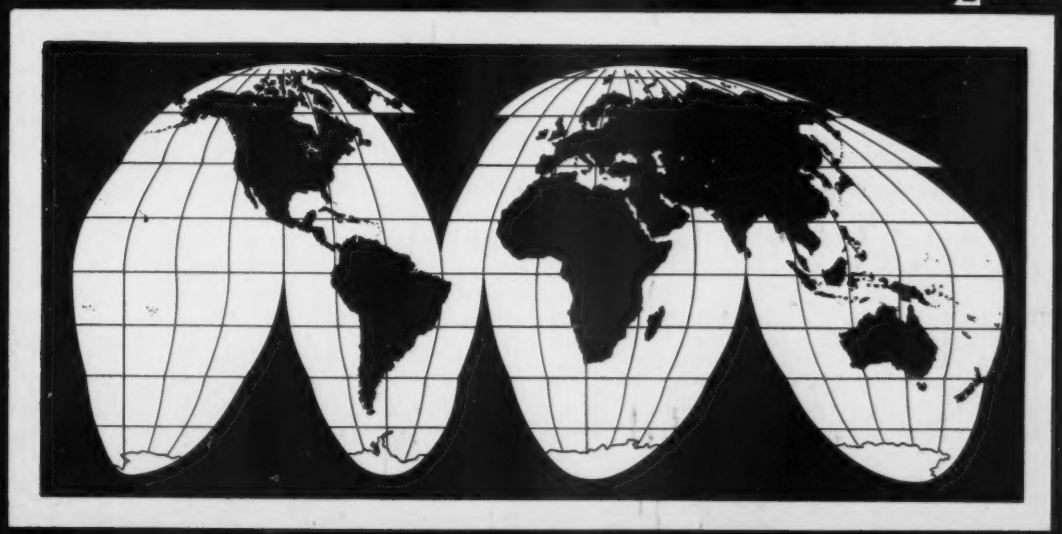
Foreign Military Sales & Assistance Programs Contribute to U.S. Security & World Stability



MAP and FMS Aid Prospects for Greater Stability & More Durable World Peace

By
LT. GEN. H.M. FISH, USAF
Director, Defense Security Assistance Agency

Under the Foreign Assistance Act the Secretary of State is responsible for determining whether there shall be a military assistance or foreign military sales program in a particular country, the size of that program, and its content. The Secretary of Defense is primarily responsible for the determination of military end-item requirements, procurement of military equipment in a manner which permits its integration with Service programs, supervision of end-item use by the recipient countries, supervision of the training of foreign military personnel, movement and delivery of military end-items, and the establishment of priorities in the procurement, delivery, and allocation of military equipment.

In overseeing the performance of these functions for the Secretary of Defense, my primary role as manager is to ensure that the security assistance programs administered by the Department of Defense are efficiently implemented. The programs must be in accordance with applicable provisions of the Foreign Assistance and Foreign Military Sales Acts and other governing legislation, as well as within the established policy guidelines and the best interests of the United States.

In the development of individual country programs, the appropriate combination of grant assistance, foreign military sales (FMS) credits and military related training programs must be established. Influential factors include:

- U.S. foreign policy objectives;
- the relationship of the recipient nation's defense capability to U.S. security interests;
- a realistic force level based upon what is needed, what the country can sustain, and what can be provided;
- economic and political conditions within the country;
- the scope and phasing of actions leading to the country's self-reliance.

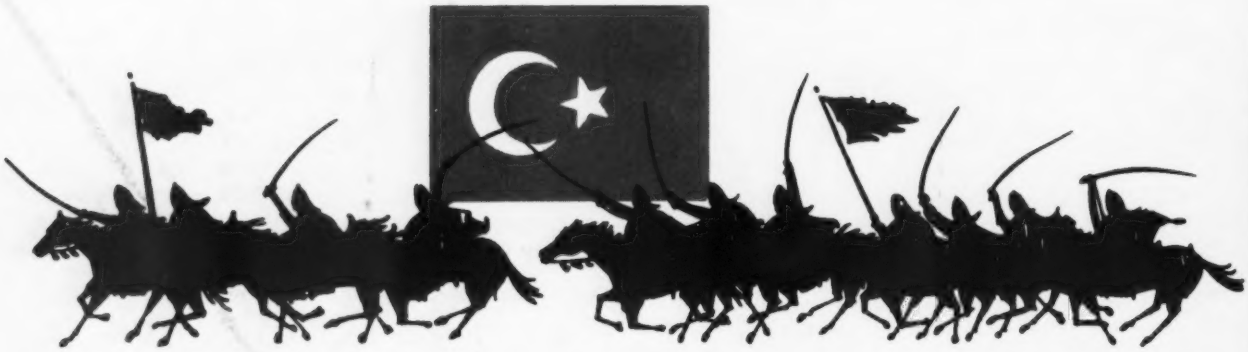
Cash and Credit Sales

Probably the most significant trend in the security assistance programs has been the declining use of grant aid to supply the needs of our friends and allies, and the increasing reliance upon FMS cash and credit sales. The grant military assistance program has been reduced from $5.7 billion in 1952 to $504 million in 1975. Conversely, cash and credit sales under the Foreign Military Sales Act have grown to $8 billion in sales orders last year, the most dramatic increase coming in the last three years.

It should be emphasized that only part of these total sales figures represent weapons placed in the hands of troops. A large portion of the sales involves basic and technical training, installation of communication systems and facilities, improvement of naval and airport facilities, and the providing of transportation, support equipment, and spare parts.

A second point which should be emphasized is that the total sales figures generally quoted refer to orders placed during the fiscal year rather than actual deliveries. In many cases long lead times for manufacture and delivery will mean that the equipment will not be delivered or the facilities completed for several years.

It is the principal purpose of security assistance—both the grant aid and the military sales programs—to strengthen deterrence and promote peaceful negotiations by helping our friends and allies to maintain adequate defense forces of their own. We believe that hostilities can often be avoided altogether; and when they cannot, we seek to ensure that our friends and allies have the capacity to defend themselves and to restore stability as soon as practicable. In this way, we seek to achieve regional stability in crucial areas of the world without the need for direct intervention by American forces.

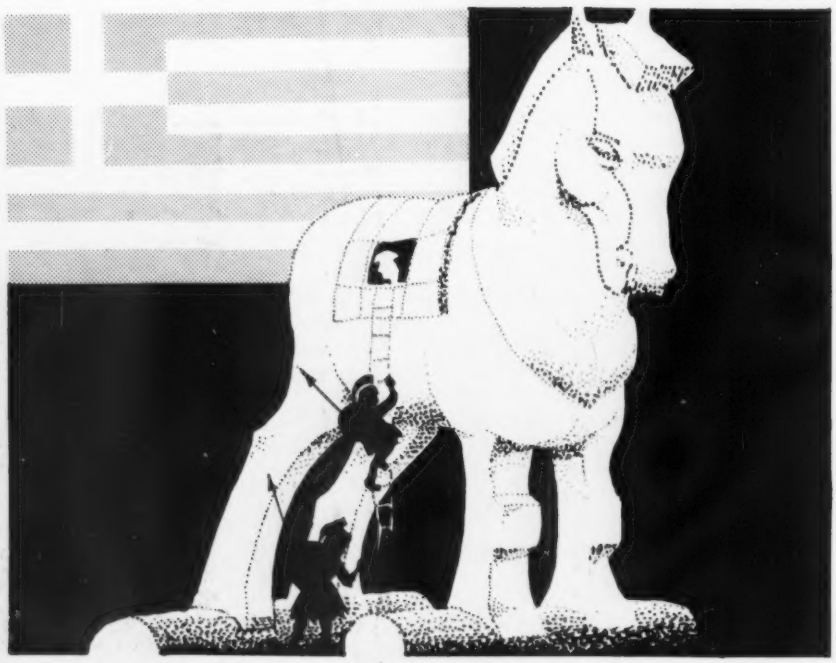


Greece and Turkey

On the southern flank of NATO our traditional friends, Greece and Turkey, require grant assistance and military sales credit in order to continue their vital role as partners in NATO.

Our long-standing security relationship with Greece dates from 1947. The character of this relationship has been affected by Greece's withdrawal of its military forces from NATO. Greece continues to be a member of the Alliance and to participate in NATO's Military Committee, the Nuclear Planning Group and infrastructure committees. Greece's military withdrawal from NATO was caused by events related to the Cyprus problem. Nonetheless, Greece remains committed to a policy of close alliance with the West, particularly with the United States.

Greece remains strategically important. It is located in the central position with respect to the strategic areas of the Turkish Straits, the Suez Canal, the Strait of Sicily and the Otranto Strait, and it blocks direct access from the Balkans to the Aegean Sea through Hellenic Thrace; therefore, an adequate Greek defensive posture is necessary. FMS credit will be required to permit Greece to purchase items essential to meet its valid military modernization requirements. The resultant strengthening of its defensive capabilities in turn will continue to help promote U.S. and NATO security interests in the eastern Mediterranean.



Turkey provides 37 percent of the standing manpower forces in Europe available to NATO. Turkey is important as the anchor of NATO's southern flank, as a member of CENTO, and in its strategic location astride the militarily significant Bosporus and Dardanelles which allow the Soviets access from the Black Sea to the Mediterranean. The United States highly values Turkey as an ally and depends on the Turkish Armed Forces to contribute to mutual security interests. Of direct military importance to the United States are important communications sites, satellite tracking stations, military base rights and aircraft overflight rights. These rights, including wartime basing rights, are needed to help assure that the United States has the necessary support structure for employment of its forces committed to NATO and the use of air routes important for military air operations.

A continued security assistance program for Turkey is predicated on a lifting of current legislative restrictions on such aid. It is important and necessary for the viability of the NATO and CENTO Alliance systems, as well as the U.S. position in the eastern Mediterranean.

Middle East

The Middle East represents an area where our security assistance programs have helped immeasurably to stabilize a volatile area, thus avoiding the need for great power military intervention and the dangers of confrontation. In providing assistance in a variety of ways to several of the Middle East countries we have been able to continue pursuing through diplomatic means arrangements for a greater measure of Middle East peace.

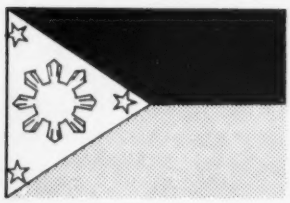
In addition to the paramount importance of achieving and preserving the peace throughout the Middle East, the United States recognizes an equally vital need to pursue policies conducive to continuing access to the area's tremendous oil reserves. Denial or curtailment of this access would represent a threat to the security and economic well-being of the United States and other free-world nations. Judicious use of foreign military sales, both cash and credit, and grant military assistance, as instruments of national policy toward deflecting that threat, is thus clearly consistent with our national interest.

Indonesia

Indonesia is a country of great strategic and political importance in Southeast Asia and the Pacific. During the past year, Indonesia has begun to realize substantial foreign exchange earnings from oil exports as her offshore fields come into production. This new income will not, in the short run, substantially increase Indonesia's low per capita gross national product or immediately provide for all the country's many economic and security requirements. Indonesia is in a transitional period, wherein the requirements for grant security assistance will appreciably decline and the Indonesian capacity for self-sufficiency, including purchase of defense items from abroad, will markedly increase.

In recognition of Indonesia's greater self-reliance and growing income from oil, grant aid will focus on training, technical assistance and modest-value end items needed to fill

existing units and enhance Indonesian logistics and management capabilities. FMS credit will be used primarily to meet Indonesia's requirements for major material items such as aircraft, ships, and armored vehicles.



Philippines

The United States has an important military interest in the Philippines because of its strategic location. The United States maintains a number of military facilities in the Philippines, the most important being Subic Naval Base and Clark Air Base. The security relationship between the two nations is defined in three major agreements: the 1947 Military Base Agreement; a Military Assistance Agreement of the same date, later revised in 1953; and the 1952 U.S.-Philippine Mutual Defense Treaty.

For the next several years, there will be greater emphasis on meeting Philippine materiel needs through foreign military sales. Grant aid will focus on projects which will increase the self-sufficiency of the Armed Forces in such areas as logistics and management. Military Assistance Program (MAP) materiel assistance will concentrate on completing the equipping of high priority Army units, and on enhancement of Navy and Air Force lift capability.

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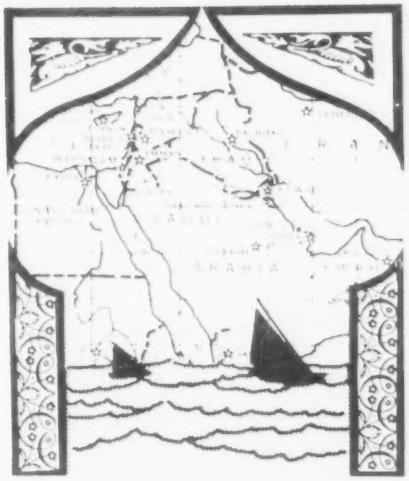

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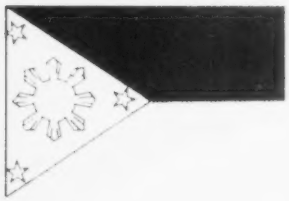

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Thailand

The U.S. security commitment to Thailand is defined by the terms of the 1954 Manila Pact (SEATO), which has been the basis of successful cooperation between the two countries in mutual security for the past two decades. Countering the Thai insurgent threat is the responsibility of the Thai Government, and U.S. forces stationed in Thailand are not involved. However, U.S. military assistance bolsters Thai defense capabilities and reassures Thailand that the United States continues to value Thailand as an ally, and to honor its mutual security commitments.

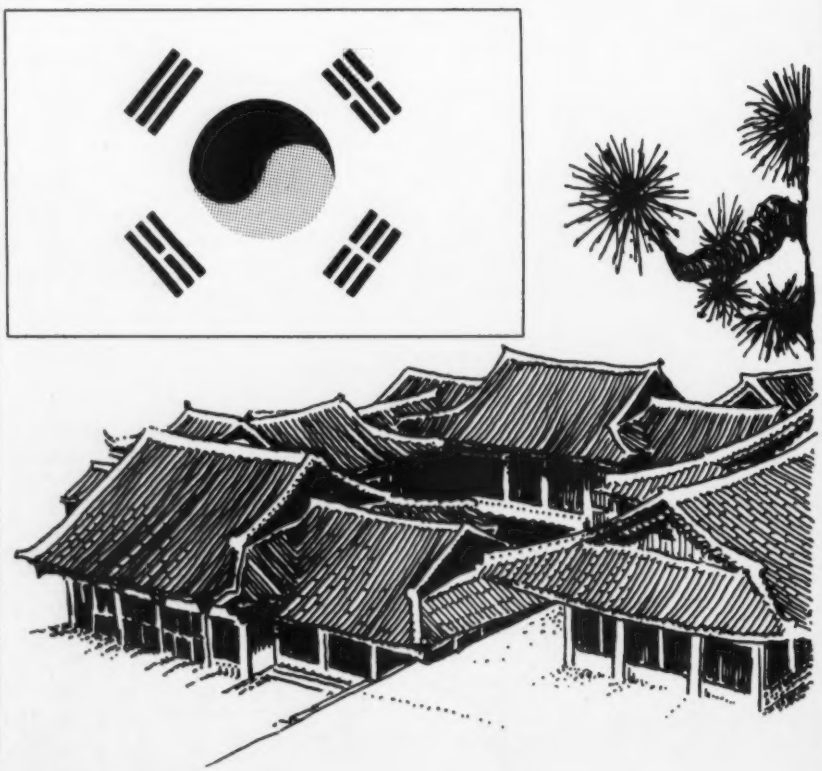
A basic objective of the U.S. security assistance program for Thailand has been to encourage greater Thai self-reliance. In recent years, substantial progress has been made towards attainment of this objective. The Royal Thai Armed Forces have acquired considerable capability and skill in many fields of maintenance and logistics, and Thai defense industries are meeting more of the Armed Forces' basic needs. Thailand also enjoys a relatively favorable foreign exchange situation, and thus is able to purchase a growing share of its defense needs from the United States and other countries. Therefore, the military assistance program to Thailand is in the process of substantial modification.

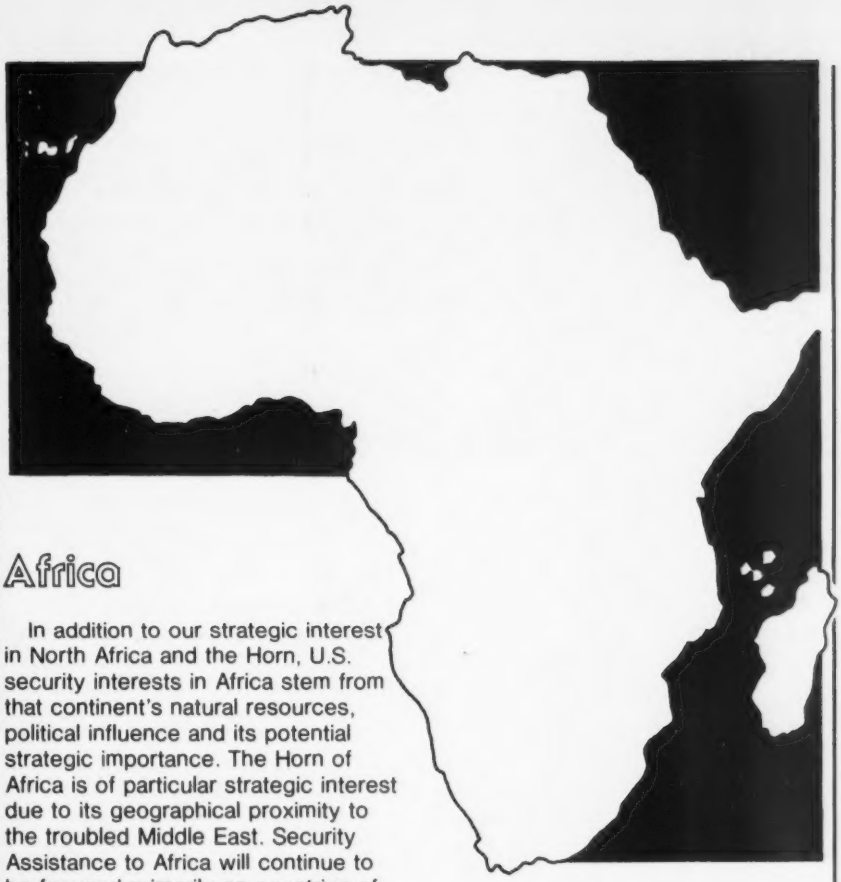
Korea

The Republic of Korea (ROK) is moving from sole reliance on grant military assistance to purchases for cash and credit under FMS and commercial arrangements. In the recent past, Korea's economy has shown a rapid and sustained growth. While this growth has now slowed because of international economic trends, prospects for further growth are good. Therefore, it can be expected that Korea will increase its defense expenditures. Substantial reductions in grant aid and corresponding increases in FMS credit can be expected after completion of the Korean Modernization Program.

The progress already made toward greater Korean defense self-sufficiency is impressive as Korea has accepted increased responsibility for its own defense commensurate with its improving economic strength. Funding of operations and maintenance support for the Armed Forces has been completely absorbed by the Korean defense budget. Increasingly, Korea has been able to purchase required military items necessitated by decreased grant aid.

It is the goal of both the U.S. and Republic of Korea that ROK forces are sufficiently strong to deter aggression from the North, and thus contribute to the preservation of regional security in Northeast Asia. This places Korea among the priority recipients of security assistance. The ROK has made good use of past assistance and is determined to achieve the balanced modern force which both it and the United States consider necessary to preserve the peace. It is, therefore, important that the United States continue to provide the grant aid necessary to complete the Korean Modernization Program and, in turn, to support these common goals.





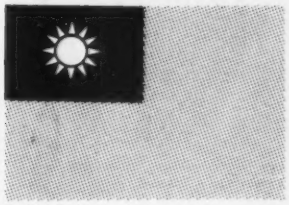
Africa

In addition to our strategic interest in North Africa and the Horn, U.S. security interests in Africa stem from that continent's natural resources, political influence and its potential strategic importance. The Horn of Africa is of particular strategic interest due to its geographical proximity to the troubled Middle East. Security Assistance to Africa will continue to be focused primarily on countries of strategic concern to the United States.

In view of the quantitative superiority of military equipment provided by the Soviet Union to neighboring African states, Ethiopia continues to depend on the United States for the military equipment and training which it needs to sustain forces capable of maintaining internal security and to develop a credible defense posture.

Morocco's strategic importance stems primarily from its location on the Atlantic and Mediterranean and the Strait of Gibraltar. Casablanca is one of the best deep-water ports in the area, and Morocco has an extensive network of air facilities at Kenitra. U.S. security assistance would assist Morocco in meeting its minimum defense requirements and in the development of military forces capable of providing the internal security necessary for orderly social and economic development. It would also promote continued favorable bilateral relations and serve to support Morocco's moderating influence among the Arab nations and the Organization of African Unity.

The MAP and FMS programs are part-and-parcel of our overall military assistance policy. Where we do not have the forces to help maintain a conventional balance—as in the Middle East and much of Asia—we must rely primarily on the security assistance program. It is a low-risk, low-cost alternative to direct American involvement in areas of great importance. The security assistance program thus makes an essential contribution to the security of the United States and to the protection of American interests, to the prospects for greater stability and a more durable peace in critical parts of the world.



China

The Republic of China (ROC) is no longer a grant materiel recipient but is employing its own resources to support its Armed Forces—by way of FMS purchases, as well as by commercial purchases from the United States. Grant military assistance, except for training, was terminated at the end of FY 1974; and FMS credit sales are increasing steadily as an alternative source of required military equipment. The objective of security assistance for the Republic of China is to support modernization of ROC forces essential to its defense. The small continuing grant training program is to provide technical and managerial instruction. Within the overall program, continuing emphasis is placed on force improvement with highest priority assigned to air defense and continued development of self-sufficiency.

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Latin America

It is important that we continue our security relationships with the friendly and allied nations of Latin America. The hemisphere has made much progress towards stability, and the instances of conflict have been remarkably few.

For example, traditionally friendly military-to-military ties between Brazil and the United States predate World War II. The current stability of the Brazilian Government and the country's economic momentum makes Brazil an increasingly important and mature partner of the United Sates in both regional and international affairs. Continued emphasis on cooperative security relationships will help to sustain that partnership.

Since termination of U.S. materiel grant aid in 1968, Brazil has acquired its military equipment through cash and credit purchases, both from the United States and third countries. It is determined to modernize its Armed Forces and, like most countries of Latin America, prefers U.S. equipment pending development of its own capability. These factors, plus location and resources, make Brazil a most valuable ally of the United States.

By the Foreign Assistance Act of 1974 the 93rd Congress repealed the previous ceiling on the Foreign Military Sales Credit Program for Latin America. By lifting this restriction the Congress has permitted us to be more responsive to the legitimate security needs of friendly nations in the hemisphere and to be able to pursue our objectives in Latin America in a mature way, without the taint of paternalism.

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